

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

TELEFYNE INCORPORATED	:	
	:	
Application for a certificate of interexchange	:	01-0371
authority to operate as a reseller of	:	
telecommunications services throughout	:	
the State of Illinois.	:	

ORDER

By the Commission:

On May 8, 2001, TELEFYNE INCORPORATED ("Applicant" or "TI") filed an application for a Certificate of Service Authority to provide resold telecommunications services within the State of Illinois pursuant to Section 13-404 of the Public Utilities Act.

Pursuant to notice given in accordance with the law and the rules and regulations of the Commission, this matter came on for hearing before a duly authorized Administrative Law Judge of the Commission at its offices in Chicago, Illinois on July 10, 2001. Applicant appeared by its counsel and Ms. Christine Stevens, Vice-President of TI, testified in support of the application. At the conclusion of the hearing, the record was marked "Heard and Taken."

At the hearing, Ms. Stevens testified that Applicant is a Nevada corporation licensed to do business in Illinois. Applicant intends to provide a variety of long distance services, but will initially only provide prepaid calling cards services. Ms. Stevens provided evidence to show that the officers of TI have many years of experience in the telecommunications industry. She further testified that TI has sufficient funds available for financing the operation.

Applicant has indicated that it will abide by all federal and state "slamming" and "cramming" laws (Section 258 of the Telecommunications Act of 1996 and Section 13-902 of the Public Utilities Act). Applicant also indicated that it will have procedures in place to prevent slamming and cramming prior to commencement of the requested telecommunications services.

Applicant has requested that the Commission make certain declarations and grant certain waivers of the Public Utilities Act ("Act") and from the rules and regulations of the Commission. The services Applicant proposes to provide will be competitive

telecommunications services as described in Section 13-502(b) of the Act. Applicant is required to file tariffs with the Commission under Section 13-501 of the Act describing the nature of its service, the applicable rates and charges and the terms and conditions of the service provided. If the Applicant files the required tariffs in compliance with Section 13-502(e) and the rules adopted thereunder in 83 Ill. Adm. Code 745, many of the provisions of the Act as well as regulations adopted by the Commission in Title 83 Illinois Administrative Code will be inapplicable to Applicant.

Specifically, Applicant seeks an exemption from 83 Ill. Adm. Code 710 and 735. A waiver of Part 710, governing the Uniform System of Accounts, should be granted pursuant to Section 13-402 of the Act in order to reduce the economic burdens of regulation on a telecommunication carrier which only provides competitive services. Further, Applicant should be granted a waiver of Part 735, governing credit, billing, deposits and termination of service for the reason stated hereinabove.

Applicant also requests Commission approval to maintain its books and records at its principal place of business in the State of Florida pursuant to 83 Ill. Adm. Code 250.

The Commission, having reviewed the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) Applicant, TELEFYNE INCORPORATED is seeking a Certificate of Service Authority, and, as such, seeks to become a telecommunications carrier within the meaning of Section 13-202 of the Public Utilities Act;
- (2) the Commission has jurisdiction over the Applicant and subject matter herein;
- (3) as required by Section 13-404 of the Act, Applicant possesses sufficient technical, financial and managerial resources and abilities to provide resold interexchange telecommunications services within the State of Illinois;
- (4) Applicant should file with the Commission a tariff consisting of its rates, rules and regulations, in accordance with Sections 13-501 and 13-502 of the Act to be effective upon proper filing, before commencing service;
- (5) pursuant to Section 13-402 of the Act, a waiver should be granted to Applicant of Parts 710 and 735 of 83 Ill. Adm. Code; such waiver will reduce the economic burden of regulation and is not inconsistent with the Act or purposes of Article XIII;
- (6) Applicant should establish books of account such that revenues from its telecommunications services, subject to the public utility revenue tax, are segregated from the revenues derived from other business activities not regulated by the Commission;

- (7) pursuant to 83 Ill. Adm. Code 250, Applicant is authorized to maintain its books and records in the State of Florida in accordance with Section 5-106 of the Act;

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that TELEFYNE INCORPORATED be, and is hereby, granted a Certificate of Service Authority.

IT IS FURTHER ORDERED that the Certificate of Service Authority hereinabove granted shall be the following:

CERTIFICATE OF SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that TELEFYNE INCORPORATED is authorized to provide resold interexchange telecommunications services within the State of Illinois pursuant to Section 13-404 of the Public Utilities Act.

IT IS FURTHER ORDERED that Applicant file with this Commission a tariff consisting of its rates, rules and regulations, to be effective upon proper filing, before commencing service.

IT IS FURTHER ORDERED that 83 Ill. Adm. Code 710 and 735 be, and are hereby waived as set out in Finding (5) hereinabove.

IT IS FURTHER ORDERED that as a condition of this Certificate, Applicant be, and is hereby, directed to establish books of account such that revenues from its telecommunications services, subject to the public utility revenue tax, are segregated from the revenues derived from other business activities not regulated by the Commission.

IT IS FURTHER ORDERED that pursuant to 83 Ill. Adm. Code 250 TELEFYNE INCORPORATED is authorized to maintain its books and records in the State of Florida.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 25th day of July, 2001.

Chairman